



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE REGULATION
DEPARTMENT OF LABOR & ECONOMIC GROWTH
KEITH W. COOLEY, DIRECTOR

KEN ROSS
COMMISSIONER

MEMORANDUM

DATE: June 24, 2008

TO: Commissioner Ross

FROM: Mark Weigold, Manager
Jean Boven, Deputy Commissioner
Cathy Kirby, Acting Chief Deputy Commissioner

RE: Summary of OFIR and MIAB Roles with Loan Officer Registration

Several bills were passed and signed into law mandating testing, education, and registration of Loan Officers. Many processes need to be ready by 10-1-08 to meet the 1-1-09 effective date of the statute, except for processing and receiving data relating to Continuing Education (CE). The first CE compliance requirement period will be in 2009, which is also the first renewal period for Loan Officer Registrants.

Below is a list of functions based on what roles OFIR and the Mortgage Industry Advisory Board (MIAB) will play in the implementation of Loan Officer registration. Where possible, all data must be processed electronically, including provider and course applications, passing test scores, and course completion.

OFIR Role

- Facilitate Board activities and assist with defining role of MIAB
- Obtain a testing vendor via state vendor requirements
- Enhance existing MU4 application to include Michigan loan officer registrants
- Identify needs to utilize the National Mortgage Licensing System (NMLS)
- Determine what "persons" other than a law enforcement agency are qualified to conduct background checks
- Determine what is acceptable "proof" and/or attestation of background check
- Set fees for registration
- Draft Bulletin outlining processes and update filing fees
- With MIAB, develop processes for prelicensing/continuing education provider, course and instructor approval and auditing function
- Identify website availability and types of information hosted with links to Industry websites
- Expand mortgage locator on OFIR website to include loan officers and loan officer registrants
- Create/modify existing processes for renewal process to include proof of CE completion for loan officer registrants

MIAB Role

- Establish bylaws for approval by OFIR
- Participate in selection of testing vendor including the review of the posted Invitation to Bid (ITB)
- Establish business rules for receiving, processing, evaluating, and approval of education providers, courses, and instructors of prelicensing and continuing education
 - Develop process to accept education provider “applications”
 - Determine instructor credentials/minimum qualification
 - Determine how credit hours will be assessed
 - Determine how this information will be tracked and reported to the testing vendor/OFIR
 - Determine actions/sanctions against providers and/or applicants for cheating or course non-completion
 - Determine appeal process for providers/instructors to appeal decisions of course credit or instructor approvals/disapprovals
- Post on website approved education providers, instructors, and courses
- Post on website pass/fail rates for prelicensing education providers
- Recommend any administrative rule development or other action needed by OFIR